

ARRL Board Member Statement on Authority, Responsibility, and Expectations

January 19, 2024

Statement Overview

It is important that ARRL Board Officers, Directors, and Vice Directors, referred to as Board Members in this document, do their utmost to represent the interests of ARRL members. Doing this requires a primary emphasis on the fiduciary responsibilities that Board Members have to the ARRL to support its mission, do no harm to the organization, and to care for its long-term health and performance.

The ARRL Board represents the highest level of corporate governance of the ARRL. The Director's authority and responsibility are defined in the following governing documents (collectively, the "Governing Documents"): Connecticut Revised Non-stock Corporation Act, ARRL Articles of Association, ARRL By-Laws, ARRL Rules & Regulations, ARRL Standing Orders, and ARRL Directors Workbook. In addition, Board Members are subject to considerations of best corporate practice.

This document, herein referred to as the *Board Member Statement*, is organized to present Board Members with a convenient summary and description of their respective responsibilities and authority as well as expectations placed upon them by Governing Documents. This Board Member Statement does not replace the obligation of each Board Member to fully review the "Governing Documents" themselves.

Upon declaration of intent to run for a Director or Vice Director position, potential candidates will be required to read and to certify that they have read and understand the Board Member Statement and abide by the provisions it contains. Certification by signature at the end of the Board Member Statement must be delivered in writing to the ARRL Board Secretary. Failure to so certify will result in a determination of ineligibility and denial of their nominating petitions by the ARRL Board Ethics and Elections Committee (hereafter referred to as "E&E") consistent with Article 12 of the ARRL Articles of Association.

Every Board Member will be required to annually recertify that they have read and understand the Board Member Statement and will abide by the provisions it contains. Such certification will take place at or before the January Board meeting. Certification by signature at the end of the Board Member Statement must be delivered in writing to the ARRL Board Secretary. Except as otherwise approved by the Ethics and Elections Committee, the failure of a Board Member to sign the Board Member Statement before, at, or within 5 days after the annual meeting or within 5 days of a request for recertification from E&E will render that Board Member ineligible to serve or continue to serve consistent with Article 12 of the ARRL Articles of Association. In no case shall the E&E extend the time for recertification for more than 30 days unless so authorized by simple majority vote of the ARRL Board.

Violation of any ethical or legal duty by a Board Member may result in an investigation by the E&E. Based on their findings, E&E could recommend remedial actions to ARRL Board as provided by the By-Laws.

This entire Board Member Statement, except those sections which quote or paraphrase existing ARRL documents to provide illustrations and examples, is incorporated by reference into the ARRL By-Laws. As such, amendments to this document require the same process and rigor required of amendments to the By-Laws themselves. Sections which include quotes or paraphrases from existing ARRL documents are enclosed by brackets “[]”. These sections will be updated by the Board Secretary whenever the referenced documents are changed. If quoted or paraphrased documents are eliminated, references from them will be removed from the Board Member Statement. All illustrations and examples are current as of the date of this Statement.

Duties of a Director Overview

Fiduciary Duties:

As Directors of a non-stock, non-profit corporation operating within the framework of the Connecticut Revised Nonstock Corporation Act (hereafter referred to as “the Act”), Directors have four overarching duties.

- **Duty of Care** – Directors must take care of the corporation by ensuring prudent and effective use of all assets, including facility, people, and goodwill. [National Council of Nonprofits]
- **Duty of Loyalty** – Directors must ensure that corporation activities are advancing its mission. They must recognize and disclose conflicts of interest. Directors must make decisions that are in the best interest of the corporation and not in the best interest of a board member or any other individual or entity. [National Council of Nonprofits]
- **Duty of Obedience** – Directors must ensure that the corporation obeys applicable laws and regulations, follows its own governing documents (such as By-Laws, Articles of Association, and Standing Orders), and that it adheres to its state corporate purposes and mission. [National Council of Nonprofits]
- **Duty of Confidentiality** -- Directors have a fiduciary duty to maintain confidentiality to ensure candid deliberations and effective strategic and tactical planning. [Harvard Law School Forum on Corporate Governance]

Non-fiduciary Duties:

Beyond Fiduciary Duties, Directors, by common practice and expectation, also provide guidance and support to the corporation including:

- Contributing to the corporate culture, strategic focus, effectiveness, and financial sustainability
- Acting as ambassadors and advocates furthering the goals and mission of the corporation

Duty of Care:

Directors must take care of the corporation by ensuring prudent and effective use of all assets, including facility, people, and goodwill.

Section 33-1104 of the Act specifies the expectations of a member of a Board of Directors:

Sec. 33-1104. General standards for directors. (a) A director shall discharge his duties as a director, including his duties as a member of a committee: (1) In good faith; (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (3) in a manner he reasonably believes to be in the best interests of the corporation.

This statute is interpreted as requiring a Board Member to exercise fiduciary responsibilities as a "Duty of Care" for the organization. This includes doing no harm to the organization and working for the benefit of the organization.

Common corporate practice ascribes to a Board of Directors the authority to make policy and work at the level of strategic decisions. Individual Board Members are not in a position to undertake the daily ordinary course of business tasks. Management is specifically defined to include the non-director senior level employees of the corporation. Directors are not managers and they are not authorized to direct staff. (Part III of The TANGO Nonprofit Method written by John M. Horak: www.tangoalliance.org/jack-horak)

The term "board-management relationship" is often used in the discussion of governance, and it refers to the relationship and the dynamics between the board of directors and the people in management positions who are hired to conduct the organization's business and affairs. A useful way to think about the relationship is that, in general, management is responsible for putting into practice the decisions made and policies established by the board of directors, with members of management having a reasonable amount of discretionary authority so they can make routine and necessary decisions to get the job done. It goes without saying that this relationship is vitally important and needs to be healthy and balanced if the organization is to remain vigorous. (The TANGO Nonprofit Method Textbook and Case Studies)

["As Officers and Directors of ARRL, you are faced with a unique and challenging responsibility. You have been chosen from the membership to play a key role in representing them in the ARRL. The decisions that you make or help to make may have a great influence on the fate of Amateur Radio not only in the US, but throughout the world. As high-ranking representatives of ARRL, you lose whatever anonymity you might previously have enjoyed. Your every action will be on public display. Every statement that you make, every cause that you support, will be subject to widespread public scrutiny." (Directors Workbook Article 2.1)]

["Each Director shall keep himself or herself informed as to conditions and activities in his or her territorial division and as to the needs and desires of the members therein in order that he or she may faithfully and intelligently represent the true interests of such members. He or she shall attend all meetings of the Board. At least 14 days prior to each annual meeting of the Board of Directors each director is encouraged to file with the Secretary a written report on the status of the affairs of the League in their division, together with a statement of his or her recommendations as to any actions required for the effective administration of the objectives and affairs of the League." (ARRL By-Laws Article 17)]

["In your service as an Officer or Director, your sense of ethics must guide you in a pattern of behavior that will be beyond reproach." (Directors Workbook Article 2.1)]

["In your appearances at hamfests and conventions, and in your on-the-air activity, you will be measured by everything you do -- not as an individual amateur, but as a representative of the ARRL. You must bend over backwards to ensure that your conduct cannot be faulted." (Directors Workbook Article 2.1)]

["If you understand that as an Officer or Director you have been placed upon a pedestal in Amateur Radio, then you will realize that you must be circumspect in your behavior, and beyond reproach in every aspect of your conduct." (Directors Workbook Section 2.1)]

While the board of directors is the seat of corporate power, with the exception of very small and simple nonprofit organizations (perhaps a parent-teacher organization or little league), the individual members of the board of directors obviously are not in a position to undertake the daily ordinary course of business tasks that must be completed in order for an organization to operate (such as supervising the staff, paying the bills, delivering services, administering payroll, and the like). (Board of Directors Common Practice – The TANGO Nonprofit Method Textbook and Case Studies)

["Good manners, common sense, and mutual respect between the Board and the Staff are necessary to maintaining an appropriate balance of friendliness and professionalism." (Directors Workbook Section 4.6)]

["No benefit to the League would come of changing Board/Staff relations into awkward, solemn, impersonal interactions. That being said, it is essential for Director, Vice Directors, and volunteer Officers to keep in mind that the relationship between ourselves and Staff members, no matter how cordial, is a relationship between the Board of Directors of a corporation and the people who are employed by that corporation." (Directors Workbook Section 4.6)]

With respect to employee harassment:

["The ARRL's personnel practices conform to the relevant laws and regulations of the federal government (Title VII of the Civil Rights Act of 1964; 29 C.F.R Part 1604.11) and the state of Connecticut. Among these laws and regulations are those pertaining to workplace harassment, a type of which is sexual harassment. Board members may have been familiarized with such laws and regulations through training provided in their own workplaces. If not, they may wish to educate themselves using resources available on the Internet.

Volunteer Board members are expected to treat Staff in accordance with state and federal laws and regulations concerning workplace harassment. The consequences of failing to live up to this responsibility may be very embarrassing for the organization and to the Board member, even if he or she did not intend to do anything improper or offensive." (Directors Workbook Section 4.6)]

["Board members should never threaten Staff with loss of their jobs and should not profess to have any ability or intent to affect a Staff person's job in any respect whatsoever, favorably or unfavorably." (Directors Workbook Section 4.6)]

Duty of Loyalty

Directors must ensure that the corporation's activities are advancing its mission and, in doing so, must be guided by an undivided loyalty to serve and advance the best interests of the corporation. They must proactively recognize, disclose, and avoid potential conflicts of interest. Directors must make decisions that are in the best interests of the corporation rather than in their individual best interests or the best interests of any other individual or entity.

["As an elected official of the ARRL, your decisions must be for the good of ARRL and its members and there should be no opportunity for criticism that your decisions have benefited you or any small circle of your friends." (Directors Workbook Article 2.1)]

ARRL has adopted a Conflicts of Interest Policy reflecting the duty of loyalty. This policy is integrated into The Board Member Statement. All Board Members must recertify their compliance with this policy annually as part of their recertification of the Board Member Statement.

Duty of Obedience

Directors must ensure that ARRL obeys applicable laws and regulations, follows the Governing Documents, and that it adheres to its stated corporate purposes and mission.

["The purposes for which our corporation is formed are the following: the promotion of interest in Amateur Radio communication and experimentation; the establishment of Amateur Radio networks to provide electronic communications in the event of disasters or other emergencies; the furtherance of the public welfare; the advancement of the radio art; the fostering and promotion of noncommercial intercommunication by electronic means throughout the world; the fostering of education in the field of electronic communication; the promotion and conduct of research and development to further the development of electronic communication; the dissemination of technical, educational and scientific information relating to electronic communication; and the printing and publishing of documents, books, magazines, newspapers and pamphlets necessary or incidental to any of the above purposes."] (ARRL Articles of Association Article 2)

["ARRL's Mission Statement: To advance the art, science, and enjoyment of Amateur Radio"]

["The President shall preside over all meetings of the Board of Directors. He shall, subject to instructions from the Board of Directors, and with the assistance of the Chief Executive Officer, represent the League in its relationships with the public and the various governments, governmental agencies and officials with which the League may be concerned, and shall be the official spokesman of the Board of Directors in regard to all matters of League policy." (ARRL By-Laws Article 31)]

["The Chief Executive Officer shall manage the affairs of the League under the direction of the Board of Directors." (ARRL By-Laws Article 35)]

["There shall be an official publication maintained by the League, in the form of a monthly journal, the name of which shall be QST. . . . The general management of this journal shall be in

the hands of the Chief Executive Officer. The policy of the journal shall be determined by the Board of Directors.” (ARRL By-Laws Article 44)]

[“There shall be an official ARRL internet web site maintained by the League. The general management of this official ARRL internet web site shall be in the hands of the Chief Executive Officer. The policy of the official ARRL internet web site shall be determined by the Board of Directors.” (ARRL By-Laws Article 45)]

[“Advisory Committees: Authority for establishing, terminating, or modifying terms of reference of any Advisory Committee rests with the Board of Directors.” (ARRL Rules and Regulations)]

With respect to Section Managers:

[“In each section there will be an elected Section Manager (SM) who will have authority over the section's Field Organization, and, in cooperation with the Division Director, will foster and encourage ARRL activities and programs within that section.” (ARRL Rules and Regulations)]

[“Vacancies in the office of Section Manager occurring between elections shall be filled by appointment by the Membership & Volunteer Programs Manager in consultation with the Director. The outgoing Section Manager’s recommendation may be solicited as part of this procedure.” (ARRL Rules and Regulations)]

[Election ethics: “It may not be appropriate for candidates to conduct on-the-air campaigning for elected office in the League. The ARRL does not, therefore, sanction such on-the-air activity. Because incumbent directors are in a policy-making role in a corporation, it is better if their campaign activities are conducted in some fashion other than via Amateur Radio. Articles by or about, or photos of, an incumbent director, or a candidate, will not be published in an issue of QST or any other magazine that will appear during the campaign period. No candidate or person on behalf of a candidate shall distribute campaign literature on official ARRL stationery, except that ARRL member or club stationery may be used. “Campaign literature” is defined as any item in support of a specific person for the office of Director, Vice Director, or Section Manager.” (ARRL Rules and Regulations)]

Contacts with Federal Government Officials and major donors:

[“ARRL By-Law 31 provides that the President shall preside over all meetings of the Board of Directors. He shall, subject to instructions from the Board of Directors, and with the assistance of the Chief Executive Officer, represent the League in its relationships with the public, major donors (contributions totaling \$10,000 or more received from individuals and organizations) and the various governments, governmental agencies and officials with which the League may be concerned, and shall be the official spokesman of the Board of Directors in regard to all matters of League policy.

The Chief Executive Officer is responsible to the President for contacts made by staff, including the Regulatory Information Manager and the Chief Technology Officer, in the performance of their duties. From time to time, assignments

involving contacts with the Federal government or major ARRL donors (contributions totaling \$10,000 or more received from individuals and organizations) may be made by the Board to individuals or to ad hoc Committees, task groups or task forces; in such cases, the extent of contact authorized will be determined by the terms of reference (TOR). Without a formal TOR in place, contact with such entities or persons by Board members or individuals will be upon written authorization of the ARRL President, or CEO.

It is important for the policies of the Board to be communicated to personnel of the Federal government as well as major donors in a consistent manner, and for the League to present a position of unity at all times. Accordingly, the only contact with FCC, congressional and other Federal government personnel, or major ARRL donors which involves, or could be construed to involve, ARRL or Amateur Radio policy matters, shall be as outlined above. Board policy prohibits the filing of comments in FCC proceedings by members of the Board, either on their own behalf or on behalf of other organizations. This policy is not to be construed prohibiting Board members from encouraging the filing of comments by others in support of League positions, or from contacting their own elected government representatives to gain support of League positions.

Expenses incurred while arranging for or engaging in contacts in contravention of this policy will not be reimbursed by the League.” (Directors Workbook Section 2.2)]

Duty of Confidentiality

Directors have a fiduciary duty to maintain confidentiality to ensure candid deliberations and effective strategic and tactical planning.

[“Except when disclosure is authorized or legally required, Board members have an obligation to maintain the confidentiality of information entrusted to them by the Association, as well as any other confidential information that comes to them from whatever source in their capacity as a Board member. It is the obligation of each member of the Board to act in a position of trust and confidence with respect to the organization which he or she serves.” (Directors Workbook Section 4.4)]

As defined in Section 33-1239 of the Connecticut Revised Nonstock Corporation Act, access to corporate records can only be used for these purposes, but not for any other purpose or in any manner that would violate any duty to the corporation.

ARRL Conflict of Interest Policy

(a) Purposes

The purposes of this Conflict of Interest Policy are threefold: (I) to preserve the confidentiality of business, financial, strategic, or other information, data or plans not

intended for public dissemination which, if disclosed, could in the view of the Board harm the League; (2) to protect the integrity of the decision-making process of the Board so that the deliberations, contributions and decisions of the Board are made in the sole interest of the League and its members collectively; and (3) to ensure that no one will be eligible for, or hold, a Board position including a Board Officer, Director, or Vice Director whose business connections are of such nature that his or her influence in the affairs of the League could be used for his or her private benefit or materially conflict with the activities or affairs of the League. The Board shall effectuate the following policies in order to further these three purposes and to fulfill the fiduciary obligations that Board members have to the League. This policy is intended to supplement but not supersede any applicable laws governing conflicts of interest in Connecticut nonprofit and charitable corporations.

(b) Conflicts of Interest

- 1) A conflict of interest arises when a Board Member has a business, personal, professional, financial, or familial interest, affiliation or relationship that could materially conflict with the obligation of the Board Member to the ARRL.
- 2) A financial conflict of interest of a Board Member exists if the Board Member (or his or her parents, spouse or partner, children, siblings, or the spouses of children or siblings) has, directly or indirectly, through material equity ownership or voting control, a management position, employment, investment or contract, an interest in or other arrangement with any entity whose business or operation (i) competes with the business or programs of ARRL, or (ii) may be materially affected (positively or negatively) by a decision or action of the Board or by any program, policy, strategy or activity of the League. For purposes of this By-Law, a material ownership or investment interest shall include an equity or voting interest of five percent (5%) or more of the value of the entity.
- 3) A Board Member may not disclose confidential information obtained by him or her relating to the League to any third person or entity.
- 4) A finding that a conflict of interest exists does not indicate that any unethical or improper action on the part of a Board Member has been taken. Acknowledgement of conflicts through voluntary disclosure, and mitigation of the effects of conflicts, principally through some level of recusal, avoids the appearance of impropriety that otherwise might undermine confidence in the Board's policies.

(c) Duty to Disclose

- 1) A Board Member and any candidate for election as a Board Member shall promptly disclose to the Ethics and Elections Committee the existence of any potential or actual conflict of interest without delay at the time that the conflict arises during the tenure of the Board Member or during the candidacy of the Candidate for election. Candidates for election as a Director shall disclose to the Ethics and Elections Committee any potential or actual conflict of interest that exists at the time of the submission of their nominating

petition.

- 2) When requested by the Ethics and Elections Committee and not less frequently than once a year, each Board Member shall promptly submit a statement to that Committee identifying all business, personal, professional, financial, familial and other affiliations of the Board Member or his or her family members (i.e. parents, spouse or partner, children, siblings, or the spouses of children or siblings) that could reasonably be considered to be a conflict of interest as defined above, whether or not the Board Member believes that a conflict exists.
- 3) The failure of a Board Member to voluntarily and timely disclose facts that may result in a finding of a potential or actual conflict of interest, whether or not the disclosure is requested by the Ethics and Elections Committee, will be considered a breach of the Board Member's fiduciary obligation to the League and the Board of Directors will determine an appropriate sanction therefor, even if no harm to the League results from the nondisclosure.
- 4) After disclosure of an actual or potential conflict of interest by a Board Member or Vice Director or candidate for election as a Director, the disinterested members of the Ethics and Elections Committee shall determine whether a conflict of interest exists. A finding of an actual or potential conflict involving a Board Member shall be referred to the Board for determination of an appropriate remedy unless the Committee determines that the conflict is *deminimis* and recusal is unnecessary. The interested Board Member shall recuse himself or herself from any vote upon any proposed matter, transaction, contract, or arrangement in connection with which an actual or potential conflict of interest has been disclosed by that Board Member until such time as the Ethics and Elections Committee and/or the Board has addressed the actual or possible conflict of interest.

(d) Recusal

The principal means of resolving conflicts of interest involving Board Members or Vice Directors will be by recusal of that Board Member. Upon a factual finding by the Ethics and Elections Committee that a Board Member has a conflict of interest and that the conflict is not *de minimis*, the Committee will make a recommendation to the Board as to the level of recusal determined to be appropriate on a case-by-case basis. The Board of Directors will then decide by majority vote which level of recusal (if any) is appropriate in that case. The levels of recusal are as follows:

- 1) The interested Board Member will be asked to leave the meeting room so that the Board can freely discuss and vote on the issue about which the conflict exists. Once the vote is taken, the recused Board Member may return to the meeting.
- 2) The interested Board Member may be allowed to remain in the room but not participate in the discussions or vote on the issue about which the conflict exists.

- 3) The interested Board Member may be allowed to remain in the room and participate in the discussions but not vote.

(e) Ineligibility

If E&E determines that an incumbent Board Member (or his or her parents, spouse or partner, children, siblings, or the spouses of children or siblings) (1) is engaged in an ongoing business or activity that directly, materially and consistently competes with an active program, business interest or activity of the League on a continuing basis, or which engages regularly or periodically in commercial business transactions with the League; and (2) that application of any of the three levels of recusal would be inadequate or insufficient to accomplish the purposes of this Conflict of Interest policy; and (3) that the nature of the conflict of interest is so pervasive and continuous as to render the Board Member ineligible to serve or continue to serve.

By my signature, I hereby certify that I have read, understand, and will comply with the ARRL Board Member Statement on Authority, Responsibility, and Expectations. I further attest that I have no conflict of interest as defined in the ARRL Conflict of Interest Policy and will notify the Ethics and Elections Committee if conditions for a potential conflict of interest occur.

Name _____

Signature _____

Date _____